Changing Paradigms of Development

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Economic Growth Perspective

- In the writings of early economists, the concept of development, as we define today, is missing. These writings have confined themselves to what we treat as economic growth and explained the concept only rationally and in economic terms.
- The progress could be measured in terms of per capita income, GNP, and the number of functioning industrial units. They looked at development from this angle, and referred essentially to the successive growth in material and manual forces of production like land, labour, capital and technology.
The theories of economic growth vary in their views but there are four common points in them which explain the laws of economic growth:

1. **The accumulation of capital and improvement of technology,**
2. **Population change,**
3. **The division of labour into specialized activities,** and
4. **Entrepreneurship.**

Adam Smith, writing in the beginning of 18th century, propounded the first systematic theory of economic growth. According to him, invention of better machines is responsible for increase in productivity and material welfare.

The classical economics stressed upon development in terms of economic growth and believed that if annual growth is at the rate of 5 to 6 per cent, it should be treated as a developing economy. W.A. Lewis, one of the celebrated economists of classical era, has favoured per capita production to distribution.

For Karl Marx, the determining force in history is technology. Technology, according to him, would hasten polarization of classes and intense class struggle leading to the unity of workers against capitalists and seizing power from them.
• The concept of human development has its origin in the writings of early economists like Adam Smith, David Ricardo, Robert Malthus, John Stuart Mill etc., but over time, excessive preoccupation with income growth obscured this objective of development. It is the United Nations Development Programme (UNDP), which revived the concept in its Human Development Report (HDR) of 1990 (UNDP, 1990).

• This could be done only by realizing the fact that economic growth may not be termed as realistic and down-to-earth development as the growth of wealth would not necessarily ensure that nobody would really be hungry. Human development broadly refers to improvement in the overall human well-being.
It is not easy to measure the level of quality of life and people’s relative deprivation in this context. However, the UNDP (1990) has introduced Human Development Index (HDI), which may be used to measure relative human development position.

The indicators, which have been identified to measure the level of human development, include:

(a) life expectancy,
(b) literacy rate,
(c) Per Capita Income

(India’s position is very sad as it ranks 129th out of 189 countries of the world in 2019). This focuses on the human face of development and this perspective could emerge on realizing that there is no automatic relationship between the growth of GNP and improvement in the quality of life. But, later on, it was felt that despite achieving the growth target set by the UN, the masses could not be freed from the trap of poverty and unemployment in most of these countries. This led to redefining the concept of economic development with more emphasis on the distribution part of economy and the gross income achieved by the state.
The concept of social development gained currency at the time when the Third World countries started to strive for economic development.

The scholars and the agencies like UNO, working on the problems of development in the developing countries, realized that these countries due to prolonged colonial subjugation were left with sad social and economic conditions at the time of independence and were far away from modern values.

The concept of social development, according to M.S.A. Rao, is inclusive of economic development but differs from it in the sense that it emphasizes the development of the society in its totality – including economic, political, social and cultural aspects. In this sense, social development planning is not concerned with planning exclusively for social services any more but it is also concerned with the planning for economic growth.
There are many areas, apart from social or welfare services, wherein the social perspective has relevance, e.g., population policy, policy relating to urbanization, industrial location and environmental pollution, regional development, income growth, income distribution and land reform, policies governing administration and people’s participation in planning and the implementation of plans.

The concept ‘social’ consists of all non-economic factors. Social development is a pre-condition for economic development. According to J.A. Ponsoien, social is an autonomous field and, therefore, social development has to be defined in its own terms. The changes in the social field which are compatible and conducive to economic development may be defined as social development.
Sustainable Development Perspective

• By the end of 70s of the last century, it was realized that the nature and extent of development, as was conceived and being pursued, would harm more than help the mankind. Cruel exploitation of the natural resources (the ultimate source of our life) reduced them to a lamentable level.

• The backwash effect of the blind race in achieving the kind of development as is done so far emerged in the form of ecological imbalance, environmental degradation and pollution of water and air. Also, there seemed to be a potential crisis of energy – the most necessary part of development.

• These alarming conditions forced scholars to contemplate about an approach to development which would minimize these threats. This led to the emergence of the concept of sustainable development. The approach of sustainable development refers to the method of development which may, on the one hand, bring about better standard of living and life chances and, on the other, the possibility of negative impact of the process of development may be minimal.
This involved the widening of the concept of development to include a part of social development of awareness among people to be sensitive to the imperativeness of maintenance of ecology and conscious and careful management of development problems to avoid any danger to the living world.

The debate on the limits of growth and the promotion of growth with environmental consciousness led to the development of the idea of sustainable development. The term first appeared in the 1987 report ‘Our Common Future’ of the United Nations. Sustainable development was defined by the Brundtland Commission as meeting of “the needs of the present without compromising the ability of future generation to meet their own needs”.
Conclusion

- The concept of sustainable development aims at maximizing the net benefits of economic activities, subject to maintaining the stock of productive assets (physical, human and environmental) over time and providing a social safety net to meet the basic needs of the poor. Sustainable development attempts to accelerate development in an environmentally responsible manner keeping in mind the intergenerational equity requirements (Economic Survey of India, 1998).

- **Economic development without considering its impact on environment and adopting measures to protect it from ill-effects of development would be fatal for the human society.** There must be a limit to economic growth. This could be realized when environmental misbalance and ecological attrition appeared as an apparent necessary offshoot of this growth.